

and ethical issues, medical issues, and scientific issues, and for social issues.

I will not belabor the commission, but want to come back to the concept and the concept is to have an appropriate forum to discuss the types of issues we are discussing today, which I have made the case that we have to act on today in response to proposals that have been made from the private sector and to have a better, a more appropriate, a more responsive, and a more representative forum to address such issues in the future.

Mr. President, I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I ask unanimous consent that I may speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE PRESIDENT'S BUDGET

Mr. KERREY. Mr. President, there has been a lot of commentary before about the President's budget, and I would like to offer a little comment prior to talking about the proposals that I heard the distinguished Senator from West Virginia, Senator BYRD, make the other day having to do with the importance of ISTEA legislation.

My own view is that there is an awful lot that Congress needs to be proud of at the moment. We sometimes make it worse with our actions. And when we help make things better, it seems to be important for us to take stock of what we have done and to acknowledge our accomplishments.

I believe the last 7 years in the United States we have seen a dramatic transformation in the United States Congress from one of an expectation almost that the Japanese and other Asian nationals are going to overwhelm us.

I remember very well in 1991 the debate was: Will the U.S. currency be devalued in the end? Could our automobile manufacturers survive? Could our computer manufacturers survive? There were a lot of people who reached the conclusion that we would not be able to do that, and what we ought to do is adopt the Japanese model, to have the Government much more involved in the decisionmaking businesses, with a much closer relationship, and industrial policy was quite popular at the time.

We chose a different direction. We enacted in 1990, and in 1993 and again enacted in 1997, legislation that imposed fiscal discipline on the Federal Government. And as a consequence of that we are now finding ourselves debating what are we going to do about the surplus? We have reduced Government borrowing, and reduced Government borrowing just from the 1993 legislation by almost \$800 billion; and that coupled with tremendous accomplishments in the private sector, businesses and employees working harder, pro-

ducing more, being more competitive and especially paying attention to price and quality which is what the consumer increasingly is looking at before they will make a purchase.

Our goods are selling. Our cars and computers are selling. Our software and food is selling. Our products are selling. People throughout the world, where they have an opportunity to buy our products are saying that "Made in the U.S.A." is good again. It wasn't that long ago when people were saying maybe it is not so good.

So we need to congratulate ourselves. We have a surplus. The cost of the Federal Government is down to the lowest as a percentage of GDP than it has been in a long time. Crime is down in most major cities. There is a lot that we need to feel good about—not just as Members of Congress but as Americans for how it is that we have gotten to where we are today.

Mr. President, I think, as is always the case in any competitive operation, that it must be pointed out that there is a need to take advantage—not to say it is terrific and we are on the top of the heap and become complacent. That is when you get in trouble. I understand that there is uncertainty when you are having to compete. But in part that uncertainty means we are doing a good job because we are not asking anybody to provide us with an absolute guarantee of success. We are saying that we are prepared to get in the market and do what we have to do to be successful.

So I believe it is not the time in 1998 to say that it is terrific, and let's figure out how to spend the surplus, or let's figure out how to take an easy course of action. I think the President has outlined for us a tough course in setting Social Security as a top priority saying we have to have a discussion in 1998 about it besides in 1999 what we are going to do with the most expensive program that we have in Washington, DC, today. I applaud that.

All of us need, as we look at the Congressional Budget Office numbers, to be alert. And the distinguished Senator from Tennessee and I are both on the Medicare commission, and I presume that Medicare commission, which I think is going to have our first meeting sometime in March relatively quickly, I hope. Our big concern should be the year 2010, the year 2030, and the CBO numbers that we are given. All of us need to understand that it only extends out 10 years. The next 10 years looks pretty good. Over the next 10 years not a single baby boomer will retire. They start to retire; 77 million of them start to retire in the year 2010. And from 2010 to 2030, the number of retirees will increase almost 25 million while the number of workers only goes up 5 million. That is a demographic problem—not caused by liberalism or conservatism. It is a demographic problem, and my guess is that this year it will impose some sort of children's health fee on tobacco. My guess is that

the increased funding in NIH will go through. And my guess is that as a consequence of that and what other sorts of things there will be that the baby-boom generation is going to live even longer than what we are currently forecasting. And their demand for collective transfer payments both from Social Security and Medicare are apt to be larger than what we are currently estimating, not likely to be smaller.

During that period of time—2010–2030—the percent of our budget that is allocated to mandatory spending, presuming that we allow net interest to go down, which is by no means certain, if we allow the debt to be paid down so the net interest can go down, even with that scenario, at the end of the baby boom generation 80 percent of the budget will go to mandatory spending. All one has to do is take today's budget of \$1.7 trillion, subtract 80 percent, and ask yourself how you are going to defend the Nation with 20 percent, how you are going to build our roads, how you are going to maintain a law enforcement system, how you are going to do all the things that everyone wants to do with only 20 percent left.

That is the dilemma, it seems to me, we are going to face. So I hope in this moment of exuberation and exhilaration we understand now is not the time to become complacent. Now is not the time for us to just come to the floor and try to tee up things that are relatively easy. We have to get the tough things done.

#### INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT

Mr. KERREY. Mr. President, I was very disappointed, many of my colleagues down here, a lot of us were disappointed that we were not able to get the ISTEA legislation passed last year. For me the ISTEA legislation is one of the most important things with which this Congress deals. It creates immediate jobs, employs people in my State, but much more importantly, it adds to the productive capacity out in the future. It contributes to our capacity to be competitive. It enables our families to do what they want to do when they take their leisure time.

Our transportation system is enormously important, and it is one of the things we in America have to be proud of. It enables us to maintain our competitive edge and to be able to celebrate.

I was encouraged earlier last year when the majority leader indicated that he was going to make this a priority and bring it up right away. I have great respect for Senator DOMENICI, the chairman of the Budget Committee, who is asking that this legislation be taken up after we get a budget resolution, but that means we will have to get another 6-month extension. That means there will be contract uncertainty out there in the country. That means we may not get this thing done until next year.